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NOMINATIONS OF CHAPMAN B. COX, TO BE ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL AND SYLVESTER R. FOLEY, JR., TO BE ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF

CHAPMAN B. COX, TO BE ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL

AND

SYLVESTER R. FOLEY, JR., TO BE ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS

DECEMBER 12, 1985

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NOMINATION OF CHAPMAN B. COX, OF VIRGINIA, TO BE ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL

THURSDAY, DECEMBER 12, 1985

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met in open session pursuant to notice, at 8:35 a.m., in room SD-G-50, Dirksen Senate Office Building, Senator Strom Thurmond presiding.

Present: Senators Thurmond, Warner, Wilson, Nunn, Levin, and Bingaman.

Staff present: Patrick A. Tucker, counsel; Arnold L. Punaro, staff director for the minority; Jeffrey H. Smith, minority counsel; Christine C. Dauth, chief clerk; Richard D. Finn, Jr., George K. Johnson, Jr., James R. Locher III, David S. Lyles, professional staff members; Barbara B. Brown, and Pamela G. Powell, staff assistants.

Also present: Romie L. Brownlee, assistant to Senator Warner; Christopher Mellon, assistant to Senator Cohen; Allan W. Cameron, assistant to Senator Denton; Alan Ptak, assistant to Senator Gramm; Jeffrey B. Subko, assistant to Senator Exon; John B. Keeley, assistant to Senator Levin; Charles C. Smith, assistant to Senator Dixon; and Milton D. Beach, assistant to Senator Glenn.

OPENING STATEMENT BY SENATOR STROM THURMOND, PRESIDING

Senator THURMOND. The committee will come to order.

The committee meets this morning to consider the nomination of Chapman B. Cox, to be Assistant Secretary of Defense for Force Management and Personnel.

Mr. Cox is no stranger to this committee, having previously appeared before the committee upon the occasion of his nomination to be Assistant Secretary of the Navy for Manpower and Reserve Affairs in the spring of 1983; then at the time of his nomination to be the General Counsel of the Department of Defense in the spring of 1984.

Mr. Cox was born in Ohio, attended secondary schools in Colorado and California, and received his Bachelor of Arts Degree from the University of Southern California, magna cum laude.

He received his juris doctor from Harvard Law School in 1965.

Following law school, Mr. Cox served on active duty as a Marine officer for 3 years, including duty in South Vietnam. He is currently a colonel in the Marine Corps Reserve.

Following active duty, Mr. Cox practiced law with firms first in Los Angeles, CA, and then in Denver, CO. He left the private practice of law in 1981 to serve as a Deputy Assistant Secretary of the Navy for Logistics from 1981 to 1983, and subsequently served as Assistant Secretary of the Navy for Manpower and Reserve Affairs, and then in his present position as General Counsel of the Department of Defense.

Mr. Cox is married to Jeannette Korody.

Did I pronounce that correctly?

Mr. Cox. It is "Korody," sir.

Senator THURMOND. Thank you. She is from Anchorage, AK. They have two sons.

His wife is present in the audience today and we are very pleased to have her with us.

The committee welcomes you and your family here, sir.

I would like the record to reflect that the appropriate ethics officials of the Department of Defense and the Office of Government Ethics have reviewed Mr. Cox's financial affairs and have found them to be in accordance with law and regulation, and that they pose no conflict of interest.

I do understand that at least one member may have some questions for the nominee concerning one aspect of his financial affairs. I would hope that if such questions are necessary, they can be held until after the general questioning is completed so that this one matter may be discussed in executive session.

Before hearing your statement, Mr. Cox, I would yield to Senator Nunn for any opening statement he may wish to make.

Senator NUNN. Thank you, Mr. Chairman.

I welcome Chapman Cox and his family this morning.

I congratulate you, Mr. Cox, for your selection to this important new position.

Mr. Cox is already well known to the committee for his service as Assistant Secretary of the Navy for Manpower and Reserve Affairs and, more recently, as General Counsel of the Defense Department.

In this latter position, Mr. Cox has chaired the DOD working group that is reviewing our staff study on DOD reorganization. He has been very helpful and cooperative. He has accepted this responsibility in a positive and constructive way. I look forward to his continuing cooperation in this important effort, as well as in the job of Assistant Secretary of Defense for Force Management and Personnel.

We face many important challenges in the area of defense manpower in the years ahead. The last 5 years have been the rosy years, and I hope that will continue. But I think the challenges are very, very serious.

We have to address a problem that has been ongoing for a long, long time—that is, how we meet our pretrained manpower requirements for the first months of a conventional war. That need has never been able to be filled, and still cannot.

We need to reform the military retirement system, and that is underway right now under Senator Wilson's guidance, to make the system less costly and, hopefully, to find ways to keep people in for longer times.

We need to review the size of the career force of each of the services to make sure that we have the optimum and most cost-effective balance between career personnel and more junior first-term personnel.

But the biggest challenge is going to be to try to be able to maintain quality personnel under very, very strict budget requirements that are going to be different from anything we have experienced for many years in terms of the Department of Defense.

This is a tough job, but Mr. Cox has demonstrated that he is capable of handling these types of job.

I do have one or two questions for possibly a short executive session. Mr. Cox has always handled his financial affairs very frankly and candidly with us, and there are a couple of complications that should not be insurmountable. We can look at them in executive session.

Senator THURMOND. The distinguished Senator from Virginia, Mr. Warner.

Senator WARNER. Thank you, Mr. Chairman.

I have had the privilege of knowing the nominee and his lovely wife and family for many years now, and I think the President and this country are fortunate that this family team are ready to continue their dedicated service, particularly in the tough assignment that he has accepted.

There are a lot of easier jobs with better pay, better titles, and better perks. But I know you are going to do this one and do it well. Good luck.

Mr. Chairman, I will submit my prepared statement for the record.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT OF SENATOR JOHN W. WARNER

Mr. Chairman, It is a sincere pleasure for me to introduce to the committee Mr. Chapman Cox, for confirmation as Assistant Secretary of Defense for Manpower, Installations and Logistics.

Mr. Cox was born in Dayton, Ohio, grew up in Lakewood, Colorado and graduated from high school in Upland, California.

He received his B.A., magna cum laude, from the University of Southern California in 1962 and his J.D. from Harvard Law School in 1965.

He proudly performed three years of active service as a Marine Officer, including duty in South Vietnam, and is currently a Colonel in the Marine Corps Reserve.

Mr. Cox practiced law from 1968 to 1981 with interstate law firms in Los Angeles and Denver.

In addition to his private practice, he also served as a member of the Board of Governors of the Colorado Bar Association and as a visiting lecturer at the University of Colorado.

In 1981 he resigned his position as managing partner of Sherman & Howard in Denver to join the Administration.

He served quite successfully as Deputy Secretary of the Navy for Logistics from 1981 to 1983.

From 1983 to 1984 he gained valuable experience as the Assistant Secretary of the Navy for Manpower and Reserve Affairs.

His most recent position as General Counsel of the Department of Defense has kept him well informed on the many and complex issues concerning the Department of Defense.

Mr. Cox is married to Jeannette Korody of Anchorage and we welcome her here today.

We wish that their two teenage sons, Andrew and Charles, could also have been here for this very significant event.

In addition to numerous civic activities, Chapman Cox is a ruling elder of the National Presbyterian Church.

Mr. Chairman, Mr. Cox has demonstrated his loyalty, integrity, and dedication to public service throughout his career.

I believe he possesses the experience and skill to be an effective Assistant Secretary of Defense for Manpower, Installations and Logistics, and I wholeheartedly endorse his nomination.

Senator THURMOND. The distinguished Senator from California, Mr. Wilson.

Senator WILSON. Thank you very much, Mr. Chairman.

It is with particular interest that I attend this hearing, for all the reasons that were enunciated by my colleague from Georgia, the ranking member.

As he has reason to know, having served as the chairman of the Subcommittee on Manpower, the challenges facing it and the current budgetary crunch are greater than ever. I think he has framed them very well. For this reason, I am particularly pleased to see the nominee before us because his record is well known to me. His performance and his prior responsibilities, I think, indicate clearly that he enjoys our confidence, deservedly. We are going to have some very tough problems of mutual concern to us. As the chairman of the Manpower and Personnel Subcommittee, I look forward to working closely with him.

I am especially grateful that he will be aboard in this coming year because, beginning with the problems of retirement, we face a number of really difficult problems in a context different, I think, than that which we have known over the preceding 5 years.

We are going to be concerned with making some very unpleasant choices, and I think have to work intimately with the Department.

I look forward to working with Mr. Cox very closely.

Senator THURMOND. The distinguished Senator from Colorado, Mr. Armstrong, has endorsed Mr. Cox highly. Without objection, his statement will be placed in the record.

[The prepared statement of Senator Armstrong follows:]

PREPARED STATEMENT OF SENATOR WILLIAM L. ARMSTRONG

Mr. Chairman, I appreciate the opportunity to recommend Chapman B. Cox for the position of Assistant Secretary for Force Management and Personnel in the Department of Defense.

Mr. Chairman, Mr. Cox has experience serving in various positions in the Department of Defense. He was appointed as General Counsel for the Department of Defense in May 1984. Before his appointment as General Counsel, he served as Deputy Assistant Secretary of the Navy (Logistics) from 1981 to 1983 and as Assistant Secretary of the Navy (Manpower and Reserve Affairs) from 1983 to 1984.

Prior to his service with the Department of Defense, Mr. Cox practiced law in both Colorado and California from 1968 to 1981. During this time he served as a Section Chairman and member of the Board of Governors of the Colorado Bar Association. In addition to his legal practice, he still had time to conduct continuing legal education courses and lectured as a visiting professor at the University of Colorado Law School.

In addition to demonstrating outstanding professional abilities, Mr. Cox has always gone the extra mile to serve his community, his country and his fellow man. While practicing law, Mr. Cox became interested in State and national legislative affairs and participated in political organizations and campaigns at both the State and national level. He served as General Counsel for the Colorado Republican Party

from 1977 to 1981. During this time he also served on both the Executive Committee and Finance Committee for the Colorado Republican Party. He has also served for various community organizations and currently serves as a ruling elder in his church. Recently, the Department of the Navy awarded Mr. Cox its highest civilian decoration for distinguished public service.

Mr. Chairman, I have known Chapman for many years and recommended him for previous positions in the Department of Defense. I have great confidence in his professional abilities and have the highest personal regard for his character. I am confident that Mr. Cox will serve with the same dedication as Assistant Secretary for Force Management and Personnel as he has in past positions. I think we are fortunate to have individuals of Chapman's caliber serving the Administration and country. I am proud to recommend him for this position.

Senator THURMOND. Without objection, the nomination reference and biographical sketch of Mr. Cox will be inserted in the hearing record at this point.

[The nomination reference and biographical sketch of Mr. Cox follow:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
November 22, 1985.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Chapman B. Cox, of Virginia, to be an Assistant Secretary of Defense, vice Lawrence J. Korb, resigned.

BIOGRAPHICAL SKETCH OF CHAPMAN B. COX

Chapman B. Cox was born in Dayton, Ohio on July 31, 1940, attended elementary school in Lakewood, Colorado, and graduated from high school at Upland, California. He received his B.A., magna cum laude, from the University of Southern California in 1962 and his Juris Doctor from Harvard Law School in 1965.

Following law school, Mr. Cox performed 3 years of active service as a Marine officer including duty in South Vietnam during 1968. He is currently a Colonel in the Marine Corps Reserve.

At the end of his active military service, Mr. Cox joined the Los Angeles law firm of Adams, Duque & Hazeltine. In 1972, he moved his law practice to Denver where he joined the firm of Sherman & Howard. During the ensuing years, in addition to his private practice, Mr. Cox served in the following civic and professional capacities: member of the Board of Governors of the Colorado Bar Association, visiting lecturer at the University of Colorado Law School, counselor to political organizations at both the state and federal level, and delegate of a U.S. exchange mission to Syria.

In 1981, Mr. Cox resigned his position as managing partner of Sherman & Howard to join this Administration as the Deputy Assistant Secretary of the Navy for Logistics. The President appointed him as Assistant Secretary of the Navy for Manpower and Reserve Affairs in 1983, as General Counsel of the Department of Defense in 1984, and to his current position on December 17, 1985.

Mr. Cox is married to Jeannette Korody of Anchorage, Alaska, and has two sons. He is a ruling elder of the Presbyterian Church. His leisure time activities include skiing, tennis and basketball.

Senator THURMOND. Mr. Cox, I have just a few questions and then I will have to leave to go and open the Senate. If I don't finish in time, I will ask the able Senator from Virginia, Mr. Warner, to take over.

Mr. Cox, if confirmed, do we have your commitment to respond to requests to appear and testify before any duly constituted committee of the Senate?

STATEMENT OF CHAPMAN B. COX OF VIRGINIA TO BE ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL

Mr. Cox. Yes, sir.

Senator THURMOND. Mr. Cox, in the last few months, there has been a reorganization in the office to which you are nominated. Specifically, oversight of the logistics and installations functions have been removed from the responsibilities of that office.

The original idea of combining oversight and manpower, logistics and installations functions was to have a single Assistant Secretary responsible for those functions that are most directly related to readiness.

What are your views concerning this reorganization, and, specifically, how is readiness going to be enhanced by that reorganized structure?

Mr. Cox. Sir, I did not make the decision to do that. I was a part of the management team when we discussed it. I think the question here that the Secretary had to face was how to balance some competing priorities. In an effort to bring all of the procurement functions under one person, where they could be better and more uniformly managed, the Secretary moved the logistics functions out of the Assistant Secretary for Manpower's office.

I do believe, however, that you have a legitimate concern, and the Secretary does as well, that the readiness functions that are served by the Logistics Office need to be carefully integrated with the same readiness functions that occur in my office. I commit to you to work very closely with the Assistant Secretary for Acquisition and Logistics, especially in those readiness areas, to make sure that we don't let something go unattended or not receive appropriate emphasis.

Senator THURMOND. If confirmed, do you plan any further reorganization within the scope of the Assistant Secretary for Force Management and Personnel? If so, why?

Mr. Cox. I don't plan any changes in the scope, sir. I think that is the prerogative of the Secretary.

I may reorganize my own office in terms of chain of command, responsibility, and supervision, but not in scope.

RELATIONSHIP WITH RESERVE AFFAIRS

Senator THURMOND. Mr. Cox, in the Department of Defense Authorization Act for fiscal year 1984, the Congress mandated the creation of an Assistant Secretary of Defense for Reserve Affairs.

As you know, there was some resistance to that idea from within the office you have been nominated to head.

How do you view the relationship between the Office of the Assistant Secretary for Reserve Affairs and the office for which you are nominated?

Mr. Cox. Sir, I am not personally aware enough of the relationships in the past between those offices to comment on that. But my own personal view of it is that those offices have to have a close relationship, and I intend to devote my efforts to try to build a close relationship between the offices, especially in the areas of mobilization and total force requirements.

FUTURE MANPOWER ENVIRONMENT

Senator THURMOND. Mr. Cox, we have heard for a number of years that the very successful manpower environment that we have experienced during the last 4 years is going to change in the near future.

Do you agree with that opinion?

If you are confirmed, what do you believe will be the most important matters you will have to address during your term of office?

Mr. Cox. I'm not prepared to say that it will get worse.

I think that we have a good situation, and I would be remiss, just on the basis of optimism, to say that this is going to continue and we should not worry about the danger signs.

There are some danger signs on the horizon, in addition to the funding problems that Senators Nunn and Wilson mentioned. There may be changes in the economy that impact upon us. There may be changes in the cultural mores and norms that impact upon us.

I think we have to be prepared for those dangers. If they occur in any of these areas, I think, to answer your question directly, the most important function of my office is to oversee and manage the job of trying to sustain the force in terms of recruiting high-quality people, training them and retaining them.

That has traditionally been the No. 1 priority of my office and I think I would continue that.

Senator THURMOND. The distinguished Senator from Georgia, the ranking member, is recognized.

Senator NUNN. Thank you, Mr. Chairman.

Mr. Cox, there are a couple of questions here that have nothing to do with you, but I think you are going to have to address them. It may be that this will be your first duty because we have what I consider to be a mess on our hands in terms of the practices of the services, particularly but not only the Navy, in terms of what we call "frocking."

Are you familiar with that term?

Mr. Cox. Yes, sir, I am.

I was an officer in the naval service and I am very much aware of the practice.

Senator NUNN. You have been General Counsel. Is there any legal basis for the practice of frocking?

Mr. Cox. I think that the general authority of the Secretaries should permit the frocking to occur in situations where officers need the rank to serve in the job they are in. But I would agree with you that a wholesale frocking is not proper and it circumvents the purposes of the Promotion Management Act. I don't think it should be done.

Senator NUNN. It has just gotten completely out of hand.

I have just been informed this morning that we have—I don't remember the exact number—about 123 Navy officers who have now been promoted without confirmation.

I don't know whether or not you realize that. It was a mistake. I don't think it was intentional, but I think it is the result of what has been happening. As soon as somebody goes on the list, the

Navy just goes out and frocks them and does not wait for any kind of confirmation or any kind of promotion.

Here we have a situation where we have these young people in these circumstances, and it is not their fault. They didn't have anything to do with it at all. They are completely innocent. They have now been promoted and given their new rank and pay for several months and have never been confirmed.

Mr. Cox. I don't think they have been paid, sir. But they probably have been given the rank.

Senator NUNN. They have been paid in this case.

Mr. Cox. Then that is a double mistake.

Senator NUNN. They are paid as soon as they are promoted.

This is all illegal.

I don't think it was intentional, but it is the result of a wholesale disregard for both the promotion process and the confirmation process. Here we have innocent young people out there who have been promoted and it has been done totally illegally, as I see it. I don't know what the status of it is.

I am going to hold all the Navy promotions, not because there is anything wrong with the people being promoted, but because the Navy has a major challenge to get this situation straightened out. I don't know of any other way to straighten it out except to hold them up.

It is obvious to me what has happened. The frocking has gotten so routine and so out of hand that they are not even paying any attention to the confirmation process anymore.

We have 93 frocked general officers. The legal limit is 1,073, and now there are 1,166 officers in the Defense Department wearing the insignia of a flag or general officer.

It is not just their pay, either. Everybody knows that when you get extra stars, you get extra staff. This permeates the whole question of staff and number of people.

The reason to limit general officers is not to hold down the pay of an extra hundred general officers. It is to try to keep the bureaucracy from continuing to grow and grow and grow because, if you go up in rank, you have to have more folks working for you.

That is just an automatic rule of the way the system works.

So, here we have that situation and in the Navy, it is my understanding, what happens on O–4's to O–6's, is as soon as their selection for promotion has been approved within the executive branch, without waiting for any Senate confirmation, they go right out and frock them. It is just absolutely routine.

I hate to give you this as your first assignment, but I am going to hold these until we get some explanation of what the Department of Defense policy is. Obviously it is out of hand in the Navy and I am going to kick it upstairs to your Department to begin with, to see what kind of assurances you can give us that this situation can be brought under control and what kind of guidelines the Department of Defense will have.

It's not just the Navy, of course. The Army has some, too. But the Navy has the most.

I have a real problem with this. If you have any other comments this morning, fine. But I would ask you, when the hearing is over,

to see if you cannot get on top of this and let us know what the situation is.

Mr. Cox. Yes, sir, I will.

I think it is a valid concern and you deserve an explanation.

Senator NUNN. Mr. Chairman, I know our time is running short here.

Senator WARNER [presiding]. Mr. Nunn, you take such time as you require.

Senator NUNN. Well, I will defer now, and see if we have any time left after you and Senator Wilson get in your questions.

Senator WARNER. Thank you. I shall be very brief.

I would bring something to the Senator's attention.

Would you like to include in the record this letter to the chairman of the committee, Senator Goldwater, from the Acting Secretary of the Navy, Mr. Goodrich, which gives some explanation for this practice?

Senator NUNN. Correct, it does.

This is from Mr. Goodrich, and I would like for it to be in the record.

[The letter follows:]

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, DC., November 25, 1985.

Hon. BARRY GOLDWATER,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR SENATOR GOLDWATER: On 29 March 1985, as the Acting Secretary of the Navy, I approved the report of the FY-86 Line Commander Selection Board and signed a memorandum forwarding the Board recommendations to the Secretary of Defense. This memorandum and the Board report were erroneously misfiled and were, therefore, not forwarded to the Senate for confirmation. This administrative error was discovered subsequent to a recent personnel transfer.

Effective 1 October and 1 November, 123 of the officers on that selection list were promoted to Commander. Additionally, 31 officers are scheduled to be promoted on 1 December. This is to advise you that the officers scheduled for promotion 1 December and subsequently will not be promoted until Senate confirmation has been obtained. We are currently reviewing the legal implications with respect to the officers previously promoted and those whose promotions will be delayed. You staff will be kept advised.

Sincerely,

JAMES F. GOODRICH,
Under Secretary of the Navy.

Senator NUNN. It seems to me, Mr. Chairman, just an an observation, that it is an administrative error in not forwarding these to the Senate for confirmation. But what kind of personnel system is it that does not have to have a confirmation back?

There are two parts to the process. One is they should forward them over here. Second is they have to be confirmed. To say they made a mistake in not forwarding them over here it seems to me is another mistake. What kind of check do they have that they can sign off on them before they are confirmed?

Mr. Cox, did you wish to respond?

Mr. Cox. If the mistake was made in not forwarding them, it could very well be that the mistake was that they did not feel that they had to be.

But I really lack personal knowledge on this at the moment.

Senator WARNER. I would suggest that you defer comment until you have had the opportunity to get that knowledge and then you can come forward to the committee.

All I can say is when I was Secretary of the Navy, we didn't have this problem. [Laughter.]

I would say, quite apart, Senator Nunn, from the constitutional aspects, as you know, with advice and consent officers of the Armed Forces are given the higher rank. Quite apart from the legal and constitutional implications, there are family implications. A promotion is a very, very important thing in the career of an officer or a petty officer, for that matter.

I can imagine that now, at Christmastime, to read about this confusion will provoke a letdown in a number of families who are deserving of better treatment.

Mr. Nunn and I and members of the committee are appreciative of your looking into this as your first order of business.

Senator NUNN. Let me just say, Mr. Chairman, that I don't want to hold these up, but I cannot let a mess like this go unnoticed. We have to hold them until we get some explanation that is better than this one. Until we get some indication of either a change in policy, which I think has to come from the Defense Department, or an indication of the scope of whatever you are going to do to straighten this out.

I would hope that would be forthcoming sometime today or tomorrow, because we are going to be moving toward recess.

FINANCIAL AFFAIRS OF NOMINEE

Senator WARNER. Members of the committee, I am informed by the staff of the Armed Services Committee that the financial affairs of this nominee have been reviewed by the committee at two earlier confirmations, and there have been no conflicts of interests determined.

There is not a question of conflict of interest but a technical question, and the Chair and the ranking minority member request that the nominee approach the bench at the conclusion of the public hearing.

Senator Wilson.

FLAG AND GENERAL OFFICER MANAGEMENT

Senator WILSON. Thank you, Mr. Chairman.

Mr. Cox, I would only observe that a problem which is not directly related to the problem of frocking is one of flag and general officer management. A hearing intended to be held by a subcommittee of this committee regarding flag and general officer management had actually been planned, but, by virtue of the more pressing questions relating to retirement and health care, we have held a number of hearings this year and have not yet gotten to that. That is one that will be coming along.

AGENDA FOR FUTURE

I think it would be a useful thing if, at the conclusion of your confirmation hearing, you and your staff were to have some pre-

liminary meeting with the subcommittee staff and with Senator Glenn and me so that we can coordinate on the agenda that we are going to be embarking on for the spring. In particular, I think that coordination is desirable early after the first of the year in the context of what we may be looking at as a result of the implementation of the Gramm-Rudman legislation.

There are certain options that will be placed before the committee and, clearly, the implications in the manpower field relate to end strength, to force levels, to the entire subject of how many people we are going to have in each service, what is required of us to do by way of manning in order to intend to honor our treaty obligations.

These I think are far more serious questions than we have been compelled to look at before.

We have touched on them before, but the exigencies that are upon us now are of a very different kind. For this reason I think we have to have the earliest and closest possible coordination.

So I invite that at this point.

Mr. Cox. Sir, you will have it.

We will be happy to work with your staffs. With respect to Gramm-Rudman, I met late last night with the Deputy Secretary in a group to deal with that very issue. We are already working on it.

Senator WILSON. The other thing I should inform you about is this. Having had a conversation earlier with Chairman Aspin, it was his expectation that the House would be unable to deal with the subject of retirement prior to the close of this calendar year, that by virtue of other demands on their time, they simply would not be able to get to it.

I have not communicated back with him, but Senator Glenn and I have tentatively come to the conclusion that we would be well advised to have one additional hearing, that is, in addition to the two we have had already. This would be for the purpose of considering the two DOD proposals that the conferees require the Department to submit.

We are going to take advantage of the time that exists between now and that next hearing to look at some other possibilities, some that have been outlined in some of the prior reviews, and in particular in the Fifth Quadrennial Review. There are some specific questions that we have that I would not put to you now because it is unnecessary to take the time or to fill this record with that. But I will just advise you that we will be doing that and will be very much interested in your participation, as we will be interested in whatever participation you care to give with regard to some of the health care and quality of life options that are going to be facing us.

One of the unhappy casualties of the appropriations process has been the deletion of some programs that were authorized in connection with efforts by Senator Kennedy and me in this House and Representative Schroeder in the other House which, it strikes me, were unfortunate and unnecessary because they really involve no money.

Rather than asking you the questions now, let me simply issue this further invitation.

I am sure that the Department, and specifically you, have your own agenda, and I say this in no pejorative sense. I am sure you have your own sense of priority needs, and to the extent that you do, I would invite you to share those with us so that the subcommittee may cooperate with you.

If you have any views you would like to express at this time, fine. But the invitation stands, and we will be pursuing it in greater detail.

Mr. Cox. Sir, I don't have a firm agenda yet. I am developing my priorities, and I would welcome the invitation.

I would like to involve you and your staff in the development of my priorities, and I would look forward to talking to you or them.

Senator WILSON. Thank you.

Thank you, Mr. Chairman.

Senator WARNER. The Chair has conferred with the ranking minority member and staff on an issue that remains. It is our view that we will recess this hearing at this time and will reconvene it at 1:15 p.m. in room 222, Russell Building, at which time the committee will go into executive session to complete this hearing.

Mr. Cox. That's fine, sir.

Senator WARNER. In the interim, may I suggest that the nominee consult with counsel for the Armed Services Committee on this technical issue.

Mr. Cox. Yes, sir.

Senator WARNER. Senator Bingaman, do you seek recognition?

Senator BINGAMAN. Thank you, but I have no questions.

Senator WARNER. Senator Levin?

Senator LEVIN. No questions.

Senator WARNER. Will you be available at 1:15?

Senator LEVIN. I will.

Senator WARNER. I know that you have an interest in this matter, and I would suggest that we have it formalized in an executive session this afternoon.

Senator LEVIN. Yes, thank you.

Senator WARNER. Senator Nunn.

Senator NUNN. I might just say that if he has solved the frocking dilemma by 1:15, I would be delighted to receive that information.

Senator WARNER. Very well.

We will see how fast you can act.

At this point in time, the President pro tem of the Senate and ranking member of this committee, Mr. Thurmond, is engaged in his duties of opening the Senate. We will therefore await a period of time—not too long—to determine whether or not he can return. But I anticipate that by 9:15, the next hearing of the Armed Services Committee will commence on the reorganization of the Department of Defense.

Before we recess, I ask that we have included in the record a statement offered by Senator Dixon on the nomination of Mr. Cox.

[The prepared statement follows:]

PREPARED STATEMENT BY SENATOR ALAN DIXON

Mr. Chairman, I am pleased to be here this morning as the committee considers Mr. Chapman Cox for the position of Assistant Secretary of Defense for Force Management and Personnel.

Mr. Cox has been serving as General Counsel to the Secretary of Defense for the past few years.

I look forward to hearing from Mr. Cox on his views regarding the future of our Armed Forces in recruiting qualified men and women to serve in the four military branches.

Thank you, Mr. Chairman.

Senator NUNN. If Mr. Cox has a moment, we could get our two key staff people on this frocking matter to give you the picture as we see it. This might be a help, so that you will at least know where we are coming from.

Mr. Cox. But the meeting at 1:15 is on the financial issue, isn't it?

Senator NUNN. That's on the other matter, yes.

Senator WARNER. This committee will now recess.

[Whereupon, at 9:05 a.m., the committee recessed, to reconvene in executive session.]

NOMINATION OF SYLVESTER R. FOLEY, JR., TO BE ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS

THURSDAY, DECEMBER 12, 1985

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met in open session, pursuant to other business, at 1:58 p.m., in room SD-G-50, Dirksen Senate Office Building, Senator Strom Thurmond presiding.

Present: Senators Thurmond, Warner, Denton, Nunn, Levin, Kennedy, Bingaman, and Glenn.

Staff present: Alan R. Yuspeh, general counsel; Arnold L. Punaro, staff director for the minority; Jeffrey H. Smith, minority counsel; Christine C. Dauth, chief clerk; Patrick A. Tucker, counsel; Robert F. Bott, Richard D. Finn, Jr., William E. Hoehn, Jr., George K. Johnson, Jr., James R. Locher III, David S. Lyles, professional staff members; Russell C. Miller, and Patricia L. Watson, research assistants; Barbara B. Brown, and Pamela G. Powell, staff assistants.

Also present: Romie L. Brownlee, assistant to Senator Warner; Christopher Mellon, assistant to Senator Cohen; Allan W. Cameron, assistant to Senator Denton; Alan Ptak, assistant to Senator Gramm; John B. Keeley, assistant to Senator Levin; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; and Nancy Soderberg, assistant to Senator Kennedy.

OPENING STATEMENT BY SENATOR STROM THURMOND, PRESIDING

Senator THURMOND. The committee will come to order.

The committee has just concluded an executive meeting with Mr. Chapman Cox, nominated to be Assistant Secretary of Defense for Force Management and Personnel.

In that meeting, Mr. Cox agreed to continue to operate under the existing financial arrangements.

I believe this resolves all questions for Mr. Cox. Therefore, without objection, we will poll out this nomination.

There appears to be no objection, so I would direct the staff to poll this out.

The committee meets this afternoon to consider the President's nomination of Sylvester R. Foley, Jr., to be the Assistant Secretary of Energy for Defense Programs.

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The nominee is no stranger to defense matters, having only recently ended a highly successful 35-year Naval career and retiring as a four star admiral.

Admiral Foley is a graduate of the U.S. Naval Academy, and holds a masters degree from George Washington University in International Affairs.

During his Naval career, Admiral Foley, an aviator, held numerous operational commands, culminating in command of the U.S. Seventh Fleet, and following his promotion to Admiral, the command of the U.S. Pacific Fleet.

Additionally, he served in the office of the Chief of Naval Operations as Deputy Director of Strategic Plans and Policy and subsequently as Deputy Chief of Naval Operations for Plans, Policy, and Operations.

He also served as a Senior U.S. Representative on the Standing Military Committee of the United Nations.

Admiral Foley also is a graduate of the Naval War College, a distinguished graduate of the Air War College, and completed airborne training with the Army Special Forces.

Admiral Foley is married to Kathleen MacDonald of Forest Hills, NY. They have four children, including a son who is serving as a captain in the U.S. Marine Corps.

Admiral Foley's wife is with us today in the audience, and we welcome you, Mrs. Foley, along with your distinguished husband.

We are very pleased to have you here, Mrs. Foley.

The staff of the committee, the general counsel of the Department of Energy and the Office of Government Ethics have reviewed Admiral Foley's financial affairs and have found no matters which would present a conflict of interest.

Admiral Foley, didn't I see you out in Hawaii last year?

Admiral FOLEY. Yes, sir. It was my pleasure, sir.

Senator THURMOND. I am very glad to see you again.

I thought you were doing an excellent job out there and so reported.

We are very pleased to have you with us.

Admiral FOLEY. Thank you, sir.

Senator THURMOND. Admiral Foley, if confirmed, do we have your commitment to respond to requests to appear and testify before any duly constituted committee of the Senate?

Admiral FOLEY. Yes, sir.

[The nomination reference and biographical sketch of Admiral Foley follow:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
November 6, 1985.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Sylvester R. Foley, Jr., of Florida, to be an Assistant Secretary of Energy (Defense Programs), vice William W. Hoover, resigned.

BIOGRAPHICAL SKETCH OF SYLVESTER R. FOLEY, JR.

Sylvester R. Foley, Jr. was born in Manchester, New Hampshire. A 1950 graduate of the U. S. Naval Academy, he also holds a Masters Degree in International Affairs

from George Washington University. During his 35-year Naval career, Admiral Foley, a Naval aviator, held numerous operational commands at the squadron, ship and battle group level culminating in command of U. S. Seventh Fleet and subsequently promotion to Four-Star rank and command of the U. S. Pacific Fleet.

Significant Washington assignments have included duty on the staff of the Chief of Naval Operations as Deputy Director, Strategic Plans and Policy, and subsequently Deputy Chief of Naval Operations (Plans, Policy and Operations). He has also served as senior U. S. Representative on the Standing Military Committee of the United Nations.

Admiral Foley is a graduate of the Naval War College and a distinguished graduate of the Air War College. He has also completed Airborne training with the Army Special Forces.

Admiral Foley is a member of the Council on Foreign Relations, the Pacific and Asian Affairs Council, and is the author of numerous articles concerning Pacific maritime strategy.

He is married to the former Kathleen MacDonald of Forest Hills, New York. They have four children: Captain S.R. Foley III, USMC, Maureen, Brenda and Christopher.

STATEMENT OF SYLVESTER R. FOLEY, JR., OF FLORIDA, TO BE ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS

Senator THURMOND. What do you believe will be the greatest challenge facing you in your areas of responsibility?

Admiral FOLEY. My greatest challenge, sir, would be to insure that the production process for the nuclear materials and the development of the nuclear weapons of the United States are adequately prepared and protected.

Senator THURMOND. Admiral Foley, do you envision any changes in course for the defense program area in the Department of Energy? If so, what are those changes?

Admiral FOLEY. Sir, as you know, I am just coming on.

I have read the Blue Ribbon Task Group report. I think that their recommendations make a lot of sense to me. The Department is examining those right now, and I intend to take a full participation in carrying out those recommendations, sir.

Senator THURMOND. Admiral Foley, you will be working with Secretary Herrington, I believe, in the Department of Energy.

Admiral FOLEY. Yes, sir.

Senator THURMOND. He is going down to the Savannah River plant tomorrow, which has a very vital stake in the very work you are interested in. I guess you are going with him.

Admiral FOLEY. It depends, sir, on whether or not I am confirmed to the position.

Right now, I have no position. But that is up to Secretary Herrington, sir.

Senator THURMOND. Well, I would hope that he would bring you along because I know of no reason why you wouldn't be confirmed. I wish you would tell him that I wish he would bring you along and that we will have a seat for you on the plane.

Admiral FOLEY. Thank you very much, sir. I will pass that on.

Senator THURMOND. Senator Nunn is probably voting now, so I am going to take a recess until he can come back here.

So far as I am concerned, I am satisfied that you will perform excellently in this new position, as you have in past positions, and I wish you a happy and successful tenure of service.

Admiral FOLEY. Thank you, sir.

Senator THURMOND. I look forward to seeing you on the plane tomorrow morning to go down to Aiken, to the Savannah River plant.

Admiral FOLEY. Yes, sir.

Senator THURMOND. After Senator Nunn asks the questions that he has or any other Member of the Senate, then I would like to direct the staff to poll this nominee out.

We will take a recess now.

[A brief recess was taken.]

Senator WARNER [presiding]. Admiral, we will resume the hearing.

I spoke briefly with Senator Thurmond and I have had the opportunity to speak with counsel for the minority.

What we would like to do is to continue your hearing and then, at some point, recess it and ask you to stand by. If other members come in and express an interest in putting some questions to you, we may resume your hearing for a second session.

Admiral FOLEY. Yes, sir. Fine.

Senator WARNER. Thank you.

Have you had the opportunity to put your statement in?

Admiral FOLEY. No, sir. I have not.

Senator WARNER. Why don't you proceed to do that?

Is that agreeable, Senator Kennedy? Did you have a time constraint?

Senator KENNEDY. That is fine.

Senator WARNER. Fine.

We will now receive your direct testimony.

Admiral FOLEY. Thank you, sir.

Mr. Chairman, subject to your approval, I would like to submit my full statement for the record in the interest of time and will just make a couple of remarks.

Senator WARNER. Without objection.

Admiral FOLEY. Mr. Chairman, members of the committee, first of all, I appreciate the opportunity to appear before you today as President Reagan's nominee to be the Assistant Secretary for Defense Programs in the Department of Energy.

Senator WARNER. At this point, I would like to express my appreciation to Senator Nunn and other Senators in the minority and counsel for the minority for expediting the hearing at my request.

Admiral FOLEY. Yes, sir. I thank you very much and also the gentlemen who assisted in that.

I look forward to working very closely with you, sir, and your colleagues to effectively and efficiently plan and manage the nuclear weapons research, development, testing, and production activities of the nation.

The nuclear deterrent that has been so successful for 40 years is no less critical today.

However, we do face some of our most severe challenges to continue the modernization and the development of the nuclear materials and weapons production complex while responding to the ever-increasing fiscal, environmental, and security pressures. Not the least of these is the need to reduce Federal spending.

This fiscal challenge requires the best efforts of all in the administration to manage the congressionally mandated programs as effectively and as efficiently as possible.

A strong defense capability is also a major concern of the administration, and through my operational assignments, I have become intimately aware of the requirements and the operational plans for nuclear weapons. My staff assignments in Washington have included participation in the DOD requirements process for nuclear weapons and warheads, and I share the concern of the members of this committee regarding the requirements process and the costs of nuclear weapons.

I know that the Blue Ribbon Task Group, chaired by Hon. William Clark, reported findings and recommendations that can be very helpful in resolving your concerns.

I understand the Department of Energy is completing its study of the recommendations pertaining to the Department of Energy and is prepared to join the Department of Defense in addressing the issues affecting both these agencies.

I fully support your efforts to better understand and control the costs associated with the research, the development, the testing, and the production of nuclear weapons and the special materials. In this regard, I believe we must continue to upgrade and maintain our facilities to meet essential materials and weapons production requirements now and in the future.

We cannot afford to sacrifice future capacity and capability to meet today's needs of lower priority.

Maintenance and modernization of our physical plant must be one of our top funding priorities.

I strongly support efforts to assure that all of our activities are conducted with full consideration for the environment and the health and safety of the public and our workers. Similarly, in today's climate, we must provide adequate safeguards and security to protect against threats of terrorists and others who seek to obtain nuclear materials or devices or disrupt our operations.

To achieve all of these things, to meet the DOD requirements, to maintain and upgrade our physical plant, to meet our more stringent environmental requirements and insure the safety and security of material, components, and information, all in the face of severe fiscal restraints, is an extremely difficult challenge.

If confirmed, I would be pleased and prepared to accept that challenge, and am honored to be the President's nominee for Assistant Secretary for Defense Programs in the Department of Energy.

I thank you, sir, for the opportunity to appear before this committee to assist you in discharging your responsibilities to the Senate.

Mr. Chairman, it will be a pleasure to answer any questions you and the other members of this committee may have.

Thank you, sir.

[The prepared statement of Admiral Foley follows:]

PREPARED STATEMENT OF SYLVESTER R. FOLEY, JR.

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you today as President Reagan's nominee to be the Assistant Secre-

tary for Defense Programs in the Department of Energy. It is a distinct honor for me to be nominated for this extremely important and challenging position. I am also honored to present myself for your consideration in order to assist you and the United States Senate in the historic role of providing advice and consent to the President.

I look forward to working closely with you and your colleagues to effectively and efficiently plan and manage the nuclear weapons research, development, testing, and production activities for the Nation. The nuclear deterrent that has been so successful for 40 years is no less critical today. However, we face some of our most severe challenges to continue the modernization and development of the nuclear materials and weapons production complex while responding to ever increasing fiscal, environment and security pressures.

Not the least of these problems is the need to reduce Federal spending. This fiscal challenge requires the best efforts of all in the administration, to manage the Congressionally mandated programs as effectively and efficiently as possible. Indeed, the Secretary of Energy has made both sound business practices and the careful review of requirements to meet minimum essential needs among the primary goals of the Department. I share both your concerns and those of the Secretary regarding fiscal responsibility.

A strong defense capability is also a major concern of this Administration. Having just completed a long Naval Career, I am keenly aware of the need to have a defense posture second to none. I strongly support the President and the Secretary in their efforts to assure a strong national defense while seeking a balanced budget. Therein lies the challenge I face as the President's nominee to be the Assistant Secretary for Defense Programs in the Department of Energy.

Professionally, after graduation from the U.S. Naval Academy in 1950, I became a Naval Aviator. As my career progressed, I held numerous operational commands at the ship, squadron and battle group level, culminating in command of the U.S. Seventh Fleet. For my final assignment, I was promoted to Four-Star rank and served as Commander-in-Chief of the U.S. Pacific Fleet.

My significant assignments here in Washington have included Deputy Director, Strategic Plans and Policy on the staff of the Chief of Naval Operations, and then Deputy Chief of Naval Operations for Plans, Policy and Operations. I have also served as the senior U.S. representative on the Standing Military Committee of the United Nations.

In addition to the U.S. Naval Academy degree, I hold a Masters Degree in International Affairs from George Washington University and attended the Naval War College, the Air War College and the Army Special Forces Airborne training course. I am a member of the Council on Foreign Relations.

Through my operational assignments, I have become intimately aware of the requirements and operational plans for nuclear weapons. My staff assignments in Washington have included participation in the DOD requirements process for nuclear weapons and warheads. I share the concern of members of this Committee regarding the requirements process and cost of nuclear weapons. I believe the Blue Ribbon Task Group chaired by the Honorable William Clark, reported findings and recommendations that can be very helpful in resolving your concerns. I understand the Department of Energy is completing its study of the recommendations pertaining to the DOE and is prepared to join the Department of Defense in addressing issues affecting both agencies. I fully support your efforts to better understand and control the costs associated with the research, development, testing and production of nuclear weapons and special nuclear materials.

In that regard, I believe we must continue to upgrade and maintain our facilities to meet essential materials and weapons production requirements now and in the future. We cannot afford to sacrifice future capacity and capability to meet today's needs of lower priority. Maintenance and modernization of our physical plant must be one of our top funding priorities.

I strongly support efforts to assure that all of our activities are conducted with full consideration for the environment and the health and safety of the public and our workers. Similarly, in today's climate, we must provide adequate safeguards and security to protect against threats of terrorists and others who seek to obtain nuclear materials or devices or disrupt our operations.

To achieve all of these things—meet DOD requirements, maintain and upgrade our physical plant, meet our more stringent environmental requirements and assure the safety and security of materials, components and information, all in the face of severe fiscal restraints—is an extremely difficult challenge. I would be pleased and prepared to accept that challenge. In the process, I believe we must improve the

DOE interface with the DOD and together, sort out the essential requirements from those that would be "nice to have."

If confirmed it will be my personal objective to thoroughly review the DOE budget requirements, challenge the DOD nuclear weapon and warheads requirements, and improve the management of the funds provided by Congress to assure that we get the last full measure of defense capability from every dollar spent. We must improve the accountability at all levels of management—our national laboratories, our production facilities, the DOE field organizations and the program managers here in Washington.

While wholesale changes in organization and personnel are not necessary—we have many outstanding people at all levels—a change in emphasis and priorities may be necessary. I am fully committed to affecting those changes necessary to meet today's problems.

I am also committed to the goals of this Administration to reduce and eventually eliminate nuclear weapons as instruments of war. However, any agreements to do so must be verifiable and I will continue to emphasize these areas where DOE provides technical advice and assistance in support of verification techniques. I fully support the President's program to perform the necessary research to determine if our deterrent can be changed through the Strategic Defense Initiative. We will continue to apply the expertise of our laboratories to aid in this effort. We cannot afford to ignore any aspect, nuclear or non-nuclear, of strategic defense and thereby face the possibility of an enemy system we are not prepared to counter.

Having just completed 35 years of military service, I both understand and am fully committed to a strong national deterrent posture. I would be proud to continue to serve this great Nation, the President, and Secretary Herrington in a capacity which furthers our common national goals. If confirmed it would be a pleasure and my personal commitment to work closely with the Congress, keeping you fully and currently informed on all aspects of our programs. It will also be my intent to forward through the Secretary, requirements that are carefully reviewed to eliminate the non-essential requirements and to provide you with full justification for the resources needed to meet the requirements approved by the President.

I am honored to be the President's nominee for Assistant Secretary for Defense Programs in the Department of Energy. I thank you for the opportunity to appear before this Committee to assist you in discharging your responsibilities to the Senate. It will be a pleasure to answer any questions you may have.

Senator WARNER. Thank you, Admiral.

As you know, you and I discussed that it would be my privilege to introduce you today. I am here now in the capacity of Chairman, so I will therefore put my statement in the record on your behalf.

Admiral FOLEY. Thank you, sir.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT OF SENATOR JOHN W. WARNER

It is a pleasure and an honor for me to introduce to you, Admiral Bob Foley, President Reagan's nominee for Assistant Secretary for Defense Programs at the U.S. Department of Energy.

Admiral Foley has, throughout his stellar naval career, worked diligently to help America strengthen her national defense.

I have known Admiral Foley since I served as Secretary of the Navy and I can assure you that his past leadership roles have fully prepared him to be the Assistant Secretary for Defense Programs.

His Naval career spanned 35 years, beginning as a Navy aviator, followed by numerous operational commands at the squadron, ship and battle group level.

He served as Commander of the U.S. Seventh Fleet and, because of his capabilities and fine record, was promoted to four-star rank and command of the U.S. Pacific Fleet and served in that position for the past 3½ years.

His impressive Washington assignments included Deputy Chief of Naval Operations for Plans, Policy and Operations and Senior U.S. Representative on the Standing Military Committee of the United Nations.

Admiral Foley graduated from the U.S. Naval Academy in 1950 and holds a Master's Degree in International Affairs from George Washington University.

He is a distinguished graduate of the Air War College, the Naval War College and, in addition, completed Airborne training with the Army Special Forces.

Admiral Foley is a member of the Council on Foreign Relations, and has authored many articles on maritime strategy.

I believe that the Admiral is the right man for the right job at the right time. It is my great privilege to introduce Admiral Bob Foley.

Senator WARNER. Senator Nunn and I for several years and prior thereto, our late and distinguished colleague, Senator Jackson, were concerned about the issue of the accountability in terms of budget planning for the weapons program and originated the legislation that eventually gave rise to the Clark Blue Ribbon Task Group.

Our concern was that the defense effort had, in a sense, a free ticket in that the Department of Energy budgeted for certain aspects of the strategic program.

Senator Nunn, I am talking about the origin of our concerns which led to the legislative steps and then to the Clark Commission.

It was our concern that the Secretary of Defense might put in a little larger order for weapons that might be needed, solely because he did not have to account for them in his budget.

As I say, that matter has now been addressed by the Blue Ribbon Task Group.

One of the recommendations of that task group was that a portion of DOE's nuclear weapons program budget ceiling be integrated into the DOD programming and budget formulating process.

Do you see merit in this approach, and are you aware of any steps that have been taken toward its implementation?

Admiral FOLEY. Yes, sir. I do see merit in that.

I am aware that, within the Department of Energy, there have been initiatives made to DOD and there is an interface going on right now to better integrate the budget process of both and to address options and tradeoffs back and forth between the two departments, sir.

Senator WARNER. Congressional concern about DOE's cost reporting procedures was validated by the Blue Ribbon panel.

Have you had an opportunity to review these procedures?

Do you anticipate that the Congress will see evidence of improvement in the presentation of the 1987 budget submission?

Admiral FOLEY. Yes, sir.

First of all, I have read the Blue Ribbon task group report and am familiar with the recommendations. I can assure you, sir, that to the best of my ability, if I am confirmed, we will respond or be more responsive to your concerns in the budget process in the future.

Yes, sir.

Senator WARNER. Admiral, just before yielding to my distinguished colleague, Mr. Nunn, would you be kind enough to introduce to the members of the committee your family who are present today.

Admiral FOLEY. I thank you, sir.

I am privileged to have with me today my wife, Kathy, and my son, Capt. Bob Foley of the Marine Corps, presently at Quantico, who most recently spent his last 3 years in the recruiting office in Macon, GA.

Senator WARNER. Did I hear that—Macon, GA?

Admiral FOLEY. Macon, GA, sir.

Senator NUNN. It's a small town, about 28 miles north of Perry. [Laughter.]

Senator WARNER. Thank you, Admiral.

We welcome your wife and son today.

I yield now to my colleague from Georgia, Senator Nunn.

Senator NUNN. I would yield to Senator Kennedy. He has been here for a while and I think he has questions. I would yield to him.

You have covered some of my questions, Mr. Chairman.

Senator KENNEDY. Thank you, Senator Nunn.

Thank you, Admiral. We join in welcoming you here to the committee.

I was wondering whether you have had much opportunity to review the development of verifying the nuclear explosions and nuclear explosion tests. Obviously, we are hopeful that we will be getting some agreements. We have some already with the 1974 and 1976 treaties, and perhaps there may be other agreements in the future in the areas of comprehensive test ban and others.

I am wondering if during your career, which has been spent to a very considerable extent in the areas of nuclear capability and weapons systems, whether you have had an opportunity to look through the various materials or, in particular, whether you have formed any impression from the geological report of last year that reflected on the capability of the United States to detect various nuclear explosions underground.

Admiral FOLEY. Senator, it would be premature to say that I have an established position right now. I have read background, I have read the materials, I have followed it over the years. Impressions, yes, I have those, but no more than just that.

I think I could say I have a good background to walk on into the specifics of the issue. But it would be premature on my part right now, sir, to give you any specific and formulated opinion.

Senator KENNEDY. Fine.

Then I would just welcome you to the committee. Obviously you have had a long and dedicated career in the service of our country, which I admire, and I wish you the best in your new post.

Admiral FOLEY. Thank you very much, Senator.

Senator WARNER. Senator Glenn.

Senator GLENN. Thank you very much, Mr. Chairman.

I welcome you, Admiral, to the hearing today.

I would say, before I ask one or two questions here, that I was glad that you introduced your family. It will not mitigate against you, as far as my vote is concerned, that you happen to have a marine in the family, having spent some time at Quantico myself in the past. [Laughter.]

We have had some concerns in Ohio at a plant called Fernald. I don't know whether you are familiar with some of our problems there or not. You probably have not yet gotten into that.

We have several nuclear facilities in Ohio that are under DOE in the weapons production program.

Admiral FOLEY. Yes, sir.

Senator GLENN. We have had some problems there. It is something we have followed over the last year. We have had a series of hearings, both here and in Ohio. In fact, the new contractor, Wes-

tinghouse, will be running that Fernald plant from now on. They were in my office yesterday afternoon. I don't expect you to be 100 percent up to speed, but I have never felt that our design, our production of weapons systems, the facilities needed for production and the industrial processes that we go through, need endanger the health of the workers or the citizens around those plants. We don't want to sacrifice the health of our citizens obviously to whatever the Soviet threat may be.

I just wanted to make that comment. I would welcome any comments you have on it, because DOE has moved now to clean up some of that. They have a process underway that I presume you will have under your guidance over there also. It is not just an Ohio problem. We have had reports on this from different parts of the country. We had a GAO study on it, and I just want to make certain that you are just as dedicated as we all are, which I am sure you are, to making certain that the health and safety of workers and surrounding communities around these plants is really perfected to the "nth" degree.

Admiral FOLEY. I agree with you, sir.

I have to ask that you take on a little bit of faith my statement to you that said I have every intention of exercising strong leadership in all the areas that are affected within the Department of Energy and fall within the defense programs.

Senator GLENN. I have been to Fernald several times and have held hearings in Cincinnati on this. There has been a tremendous interest in that part of the country on this issue.

We have a new study that will be out within the next week on the Portsmouth Facility up at Dayton as well as the one at Fernald. That will be the first part of a bigger report that we asked for on all the facilities across the country to assess the health and safety aspects of our weapons production system.

I think perhaps we were overstressing production at one time, and we need to make certain that the health and safety matters are taken care of.

Admiral FOLEY. I agree, sir.

Senator GLENN. Thank you much.

Senator WARNER. Thank you very much.

Senator Bingamar..

Senator BINGAMAN. Thank you, Mr. Chairman.

Admiral, I welcome you and commend you on this appointment.

I have several questions, Mr. Chairman, on different aspects of the DOE research activities, particularly some that relate to the laboratories in my home State, Sandia and Los Alamos Laboratories.

I would like, if I could, just to put those in the record and ask the Admiral to respond to those in writing to the committee.

I commend him for his appointment and look forward to working with him on these extremely important items.

I think that the vote yesterday on Gramm-Rudman—I am sure it has been mentioned several times to you today—does put a whole new light on the difficulty of the job you are taking on. I wish you well.

Admiral FOLEY. Thank you very much, sir.

Without question, it tightens up the ballgame. I will provide responses to your questions for the record, sir.

Senator BINGAMAN. Thank you very much.

Senator WARNER. Senator Denton, the Chair is ready to recognize you, although we can proceed with some other questions until you are ready.

Senator DENTON. I have no questions. I have met with the candidate and I am satisfied, sir.

Senator WARNER. Well, would you not state for the record whether you served with the candidate on one or two assignments.

Senator DENTON. We ascertained that at our meeting, and, unfortunately, we have not. But we had a lot of mutual acquaintances.

Senator WARNER. Well, you will sail together now in his new post, I am sure.

Admiral FOLEY. Thank you, sir.

Senator WARNER. Admiral, what are your priorities for defense programs, those priorities particularly in light of the deficit situation and the anticipated difficulties of the Congress and the executive branch in addressing themselves to Gramm-Rudman?

Admiral FOLEY. Well, first of all, my priorities are to insure that the nuclear materials production process and the development of nuclear weapons in support of the requirements of the Department of Defense are met. That is a fundamental requisite.

In addition to that, it is to examine very carefully the recommendations of the Blue Ribbon Task Group, to work with the Department of Defense, and implement those, where possible, in the near-term and at least lay the foundation for those that take a little bit longer.

I mentioned in my preliminary remarks, sir, that the safety, the welfare of the people, the concerns expressed by Senator Glenn, are indeed covered, and that we run a tight, business-like, cost-effective operation throughout the entire defense programs business.

Senator WARNER. Admiral, I have one last observation.

As you know from your previous experience with the Congress, much of our work has to be done with the assistance of staff. From time to time, committees request staffs to go and make visits, inspections, and to talk over a very wide range of issues with individuals in a manner not unlike a Senator, if the Senator had had the same opportunity.

Now you have had those experiences while in your various positions in the Navy, and it is likely that you will encounter even more because of the important work that you are undertaking, the budget problems, and the overall significance of the President's strategic program.

I expect—but I would like to have you say for the record—that you will cooperate fully with staff persons at such times as you are visited on work in connection with this committee.

Admiral FOLEY. Senator, it is always my intention to cooperate fully. I want to know when they are going and who they are going to see, just as we would any time a Senator is going, sir. We would take the same note of that.

Senator WARNER. We will see that that is done.

Admiral FOLEY. Thank you, sir.

Senator WARNER. We wish you and your family, since they are very much as part of this job you are undertaking, our best for the future.

Admiral FOLEY. Thank you very much, Mr. Chairman.

Senator WARNER. Senator Nunn.

Senator NUNN. Mr. Chairman, I have no questions. You have already covered them.

But I think there are three enormously important areas here. One is the security of nuclear weapons. I think improvements have been made over the years, but I still believe—my own personal view is that we have a long way to go. In an era of terrorism, I think that has to be one of the top concerns of a person in your important position.

Second is the whole area of cost growth of DOE to produce nuclear weapons. We have been struggling with that one, as Senator Warner has said, for the last couple of years. I have read carefully the new recommendations coming out from the commission and I hope you will look at that area because we have to make sure that we understand what is happening there and get on top of it.

The third area is the whole question of what incentive both departments have when DOD draws up the requirements for nuclear weapons and DOE produces those weapons, and where the incentive is for DOD to take into account on their requirements other weapons when it does not come out of that budget.

It is a direct business of the customer not paying for a great deal of what is being done. I hope you will take a good look at that.

You do have a background for this important position and I am sure you are going to do a commendable job. So we look forward to working with you.

Admiral FOLEY. Thank you very much, sir.

Senator NUNN. We are delighted to have your son and wife here and am particularly delighted to learn that he was in Macon, GA. That is my hometown area. I would correct the record. Macon is the large city and Perry, where I am from, is a small city. But I am sure he knows that.

So we are delighted to have them with us this afternoon, too.

Senator WARNER. I thank the Senator from Georgia.

I also wish to express my appreciation to you personally and to your staff and other members of the committee for your assistance in expediting consideration by the full committee of this nomination.

Admiral FOLEY. I would like to express my thanks also for that, sir. I know how busy and difficult a time this is for you.

I appreciate that very much, sir.

Senator WARNER. Senator Nunn noted the question of security of our facilities that operate within the strategic program. This is a subject that you and I went into in great detail.

Like you, Senator Nunn, I am satisfied that this nominee has a good grasp of the situation and has ideas that he will want to implement very shortly to improve things.

Admiral FOLEY. Yes, sir.

Senator WARNER. Senator Levin, do you have questions?

Senator LEVIN. The only questions that I have have been submitted for the record.

We are happy to rely on that.

Senator WARNER. Thank you.

I would ask that we insert into the record at this point a statement by Senator Dixon on this nominee.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN DIXON

Mr. Chairman, I am pleased to be here this afternoon as the committee considers Mr. Sylvester Foley for the position of Assistant Secretary of Energy for Defense Programs.

I look forward to hearing from Mr. Foley regarding his positions on the many areas under his responsibility. One of the areas I will be following is the national laboratories involvement in research work on SDI. Argonne National Laboratory, Argonne, IL just recently met with General Abrahamson at my urging to discuss their proposed programs for doing SDI research. Argonne National Laboratory has been recognized as one of the finest research laboratories in the world. I hope that they will be encouraged to pursue their work on SDI research by the Department of Energy.

Thank you, Mr. Chairman.

Senator WARNER. If there are no further questions by the committee, this nomination will be polled today by the full committee in the hopes that we can bring it to the floor and have action on it prior to the conclusion of this session of Congress.

Admiral FOLEY. Thank you very much. I would appreciate that, sir.

Senator WARNER. We will now leave this nomination and proceed to some routine matters of the committee. We will ask that the next hearing begin at the conclusion of this one.

Senator GLENN. Mr. Chairman.

Senator WARNER. Yes.

Senator GLENN. May I ask that those of us who are here be polled.

Senator WARNER. Splendid.

If the members of the committee would wait, there is one more matter for us to handle.

There are pending before the committee and eligible for consideration today 122 routine military nominations. These have been before the committee for the required 7 days. In addition, there are 1,238 routine military nominations which have not been before us for the full 7 days. No objections, however, have been raised by any member with respect to any of these nominations.

In order that all pending nominations may be considered by the Senate prior to its adjournment, I am prepared to entertain a motion that the committee waive its 7-day rule with respect to 1,238 of these nominations and order all 1,360 nominations favorably reported to the Senate.

Senator NUNN. Mr. Chairman, before any motion is made on that, I do have a few brief comments that I would like to make with the Chair's indulgence.

I have come to the unfortunate conclusion that the nomination and confirmation process for military officers, particularly in the Navy, is now in a state of disarray. I would like to give you a couple of reasons why I reached this conclusion.

The Navy is routinely frocking—and that means giving the rank without the pay, but going ahead and creating the rank—thou-

sands of field grade officers every year before their nominations have even been confirmed by the Senate. This policy, in my opinion, shows a flagrant disregard for the Senate's constitutional and statutory role to confirm the nomination of military officers selected for promotion. It's not just in the statute; it is also in the Constitution.

The first reason is that there is currently a legal limit of 1,073 on the number of flag and general officers in the Department of Defense. That is a matter of law.

I have recently learned that there are currently approximately 93 officers that have been frocked to the one star rank whom the services do not count against the 1,073 limit. Some of the services have apparently even acknowledged that they use this frocking policy to meet flag or general officer requirements that they would otherwise be unable to meet because of the 1,073 legal limit.

Mr. Chairman, I don't think any of us on this committee or in the Congress put this limit on flag or general officers in place in the expectation the services would simply find a way to get around it. I want to emphasize that the purpose of a limitation is not to keep a hundred individuals from receiving another star but is to avoid the tremendous proliferation of staffs and bureaucracy that inevitably comes with those stars.

So this, to me, is a total disregard of the law and I think we have to look into it.

Finally, Mr. Chairman, the Navy has recently informed the committee that, through an administrative error, their recent promotion list for line commanders was never submitted to the Senate for confirmation. Apparently another "administrative error" occurred somewhere along the line, because no one in the Navy checked to see if the Senate ever acted on this promotion list. But that did not stop anyone in the Navy from promoting individuals on this commander promotion list.

One hundred twenty-three officers on this list have been promoted since October 1 of this year, without confirmation. First, these promotions are illegal because someone in the Navy forgot to send the promotion list to the Senate. To me that is not the most serious error, though that is the only one the Navy acknowledged. The second thing is who is supposed to check and what procedures are in effect to check to see if the Senate ever acted on this promotion list? The only notice we have is that somebody forgot to send it over here.

Well, that to me is the minor part of the problem. The big problem is how do you promote people who have never been confirmed.

I want to get some answers to these questions.

These 123 officers were illegally promoted and are being illegally paid at their higher rank through no fault of their own. These are people who deserve the promotion. I am sure they have deserved them. And none of these remarks are in any way aimed at these individuals.

But that does not change the fact that someone in the Navy Department here in Washington has put these 123 officers in a very awkward and unfortunate position. Whoever was responsible should be held accountable.

Unfortunately, no one has accepted this responsibility yet. I have heard nothing from the Secretary of Navy or anyone else in terms of who is responsible or what procedures they are going to take to determine that, to correct the situation and to make sure it never happens again.

Mr. Chairman, the Constitution and title 10 of the United States Code set forth very clearly the requirement for Senate confirmation of the nominations for promotion of military officers. This confirmation process is one of the most important legislative oversight functions which this committee performs. I am very concerned about what I consider to be a cavalier approach to the process of Senate confirmation on the part of the Navy.

Mr. Chairman, I originally intended to object to the committee's consideration of any routine nominations in the Navy today, and I did this morning. I feel very strongly that the committee needs to put all of the military services, particularly the Navy because these instances are so fresh in our minds and in my opinion so flagrant, on notice that our committee will simply not tolerate this kind of cavalier and sloppy approach to the Senate role in the nomination and confirmation of military officers.

We had Mr. Chapman Cox before us earlier this morning. He is to be the new Assistant Secretary for Personnel. He agreed he would do three things in a meeting I had with him this afternoon and I want to make clear what these things are that he has agreed to.

First, he has agreed that the Office of the Secretary of Defense will review the current frocking policies of all the military services. This review will address the legal justification for the practice of frocking and the need for the large number of officers routinely frocked in the Navy.

Following this review, the Office of the Secretary of Defense, in coordination with the military services, will develop a DOD policy on frocking. At a minimum, I have been assured by Mr. Cox that the policy will include the requirement that no officer will be frocked prior to Senate confirmation.

Second, the Office of the Secretary of Defense will review the current situation in which the military services have approximately 100 officers frocked to the rank of flag or general officers. OSD will review whether this situation is in keeping with the letter and the spirit of the law, limiting the number of flag and general officers in the Department of Defense to 1,073.

I might add that two or three times we have gone up on that limit to accommodate requests that have been made.

Third, the Office of the Secretary of Defense will insure that the Navy conducts a thorough review of the problem which led to the Navy's promoting 123 officers to the rank of commander before these officers had been confirmed by the Senate. This review should determine who is responsible for this problem and what steps have been taken to insure that it does not happen again.

Mr. Chairman, I will not object to these nominations today based on these assurances from Mr. Cox that I have just received. I will, though, say that I expect a report from the Secretary of the Navy on who is responsible for these 123 being promoted and what the

steps were that led to that before I would agree to have those Navy nominations come up on the floor of the Senate.

Everyone knows that we are trying to leave town tomorrow night. I don't know whether or not that will happen. There is time for perhaps a quick hearing tomorrow morning. I would leave that up to the chairman as to whether it ought to be at the subcommittee level or whether it ought to be at the full committee level. I strongly suggest that the Secretary of the Navy come over and give an explanation both as to what has happened, why the overall policy has been disregarded, and what he intends to do about it.

Assuming that we get a satisfactory explanation, it would be my hope and expectation that we would, and, if we do, I will let those nominations go. But I would not agree to them, as one Senator, on the floor, although I am agreeing to them in the committee—and I want everyone to know that—until we get an explanation from the Secretary of the Navy.

Senator GLENN. Mr. Chairman?

Senator WARNER. Senator Glenn?

Senator GLENN. Mr. Chairman, I agree with the statement just made by Senator Nunn. I don't know how this occurs. We have an expert witness here in General Rogers who is here for our next hearing. He did not come here to talk about promotion policies in the Navy, I know.

But I think every time I was promoted, I thought it said right there "subject to" or "pursuant to Public Law" so and so and "Senate confirmation as of" such and such a date.

Maybe they don't do that anymore, but I think we had better start it again or set up a similar protective system in some way.

I agree with Senator Nunn completely on this.

I am concerned, however, that we not have these illegal commanders, if you want to call them that, out there right now. It is not their fault. It was a foul-up at a higher echelon than they are.

I would be prepared, if the Chair thought it proper, to move that they be approved in committee, perhaps subject to the limitation that Senator Nunn suggested, of being held on the floor until we have this hearing.

But I would like to see them at least get through this hurdle right now, that whole list, and would move their approval if you thought that was appropriate. We could then vote them out of committee today, and then be prepared to get a unanimous consent on the floor to waive whatever delay rules there are on the floor so that these things are for sure out before we leave and not come back until late January.

Senator WARNER. That is the intention of the Chair. I am waiting momentarily to make that motion again.

Senator GLENN. Good.

Senator WARNER. I wish to associate myself with the remarks of the distinguished Senator from Georgia.

The Chair directs the staff to contact the Secretary of the Navy and arrange a hearing for tomorrow, at which time we will assess, based on his remarks, a proper course of action.

We want to minimize the hardships on the innocent persons, namely those who have been promoted.

Senator NUNN. I certainly agree with that, Mr. Chairman.

I might say that this list does confirm these individuals that have already been promoted. But it does so effective today. The Navy still has to address the problem and someone has to address it legally as to what their status has been between the time they were promoted without confirmation and today.

So, unfortunately, it does not clarify all the problems, but it is a step in the right direction.

Senator WARNER. Well, we have a night's work cut out for us. We will have a hearing tomorrow, Senator, without fail.

At this time, I am prepared to entertain a motion that the committee waive its 7 day rule with respect to 1,238 of these nominations and order all 1,360 nominations favorably reported to the Senate as a whole.

Senator LEVIN. One question, Mr. Chairman, and I have no problem with this course.

Is it just the Navy which is frocked before confirmation?

Senator NUNN. Well, the Navy is frocking routinely everyone below the grade of flag officer before confirmation.

Senator LEVIN. Do other services do this as well?

Senator NUNN. If they are doing it, it hasn't come to my attention. I think it perhaps has been done, but not on a routine basis. So I am not saying the Navy is the only one. But the Navy is doing this systematically, as a matter of direct policy.

There are some other services that have officers that have been frocked above the legal limit that we talked about. Those are two separate problems, though somewhat related.

Senator WARNER. All services are following the practice, but not to the degree of the Navy. It is usually on an ad hoc basis in the other services.

Senator DENTON. Mr. Chairman, if the move to waive is in order, I will make it.

Senator WARNER. It is.

Senator DENTON. I move to waive the 7-day rule and to report the routine military nominations now pending before the committee——

Senator WARNER. As stated by the Chair.

Senator DENTON [continuing]. As stated by the Chair.

Senator WARNER. Is there a second?

Senator GLENN. Second.

Senator WARNER. All in favor, say aye.

[A chorus of ayes.]

Senator WARNER. Opposed.

[No response.]

There are none opposed.

The motion is carried.

[Questions to be answered for the hearing record follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

Senator LEVIN. The Assistant Secretary for Defense Programs is responsible for producing nuclear weapons to meet the needs of the Department of Defense. The Assistant Secretary for Defense Programs is also responsible for producing these weapons in a safe and secure manner.

Do you see any conflict between these responsibilities?

Please describe how you would resolve a situation where continued production could seriously jeopardize national security and public health and safety.

Mr. FOLEY. No; I do not see any conflict between the responsibilities of the Department of Energy in meeting the requirements of the Department of Defense for nuclear weapons and producing these weapons in a safe and secure manner. It has been and will continue to be the Department of Energy's policy to produce nuclear weapons that are safe, reliable, and effective. This responsibility will be conducted with utmost concern for the safety and health of the workforce, surrounding populations, and the environment. It is unlikely that circumstances would arise where a suitable alternative could not be found to continuing production at the expense of public health and safety.

Senator LEVIN. Your predecessors, William Hoover and Herman Roser, had considerable difficulties in managing an effective safeguards and security program. Have you had an opportunity to learn of these difficulties?

Please describe how you intend to manage the safeguards and security program?

Mr. FOLEY. I am aware of the problems the Department has encountered in dealing with safeguards and security issues. Secretary Herrington recently designated a small team of experts to assess the status of safeguards and security within the Department. I understand the team found that safeguards and security conditions had dramatically improved over the past 3-4 years but significant improvements were needed, primarily within the Headquarters, in the way safeguards and security programs are being managed.

With regard to how I intend to manage the safeguards and security program, just let me say that I recognize the critical importance of this program and will devote the time and attention necessary to assure the security of these vital national security interests.

Senator LEVIN. We are all concerned over the recent incidents of international terrorism. Do you agree that our nuclear weapons facilities must be protected to the maximum extent possible?

I would be interested in your thoughts on this matter.

Mr. FOLEY. I intend to implement a systematic process for analyzing both the threat to individual DOE facilities and our defenses against and responses to that threat. The focus of this analysis is to assure that we are doing everything possible to assure the security of these facilities.

During the past 5 years, I am aware that the Department has initiated intensive upgrades at its nuclear facilities to improve physical security systems against overt acts by outside adversaries.

I recognize, however, that the security systems of today may not be adequate for the threat of tomorrow, therefore, our efforts must and will include a continuing analysis of the outsider and insider threat. We will devote appropriate effort to the development of systems needed to protect against these changing threats.

Senator LEVIN. I understand that Chairman Dingell over in the House of Representatives has cited inadequate management as the primary reason for the Department's continued problems with safeguards and security. Are you satisfied with the people who will be assisting you in carrying out your important responsibilities?

Mr. FOLEY. Over the next few months, I will be evaluating all my managers as I would in any new managerial position. As a result of these evaluations, I will take whatever steps are required to assure that the mission of my organization is carried out efficiently and effectively.

Senator LEVIN. I am concerned over the situation of John Hnatio, the security specialist who has been harassed because of his concern over serious safeguards and security problems. Will you be meeting with Mr. Hnatio so as to be able to learn firsthand of his past and current situation in the department?

I would appreciate being advised of the outcome of any such meeting.

Mr. FOLEY. To my knowledge, Mr. Hnatio has not requested to meet with me to discuss his concerns on safeguards and security. However, should he do so, Mr. Hnatio would be accorded the same accessibility and freedom as would any other individual working in my organization.

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

MANAGEMENT OF THE DOE NUCLEAR WEAPONS LABORATORIES

Senator BINGAMAN. Admiral, in recent years there have been a series of studies which have looked at the three Department of Energy nuclear weapons laboratories. These studies include the recently completed Blue Ribbon Task Group on Nuclear Weapons Program Management, the White House Science Council's Federal Laboratory Review Panel which David Packard chaired back in 1983, the Department of

Energy's Research Advisory Board's 1982 report on the DOE multi-program laboratories, and the President's Private Sector Survey on Cost Control (the Grace Commission).

I think it would be fair to say that all of these reports found the laboratories to be models of excellence in carrying out scientific research, development, and testing.

Several of these reports pointed to a sharp contrast with the DOD laboratories in this respect. As the Blue Ribbon Task Group put it, the labs "have long traditions of managerial discretion in defining research programs and in allocating resources quite unlike most of the nation's defense laboratories. Their technical accomplishments have been impressive."

The Packard Panel recommended that the laboratory directors be allowed greater flexibility to exploit innovative scientific opportunities.

My question is do you agree with the thrust of these reports? Are you comfortable with the degree of managerial autonomy which the laboratory directors have had to manage their resources and exploit innovative scientific opportunities?

Do you have any plans that would change the management of the laboratories or their relation to the Department of Energy?

Mr. FOLEY. I am familiar with the Blue Ribbon Task Group report and to a limited extent the other referenced reports; I am aware that the reports were very positive in regard to laboratory management. I am committed to the preservation of the unique resources at the three national laboratories responsible for nuclear weapons research and development, but the first priority must be on work in support of this DOE defense mission. While clearly some level of management flexibility is desirable in the pursuit of basic research, it is important that DOE exercise appropriate management oversight of the laboratories. As I review the management of DOE programs, I intend to include a review of the laboratories. Any changes that may result will continue to foster the unique research capabilities of the laboratories in support of the DOE mission. Changes may result but it is premature, in my view, to suggest what they may be.

CONVENTIONAL MUNITIONS RESEARCH AT THE LABORATORIES

Senator BINGAMAN. The Clark Blue Ribbon Task Group in its report earlier this year noted that "the three laboratories also constitute a reservoir of substantial talent that should contribute to developing advanced conventional munitions and other defense needs." They recommended that the Department of Energy should ensure that the Department of Defense has enhanced access to the laboratories for R&D on advanced conventional munitions and that the mission of the three national laboratories should be broadened to give them a considerably greater role in other defense R&D, in particular, advanced conventional munitions.

How do you see the role of the labs evolving in this important area?

Do you support the block funding approach which has been negotiated in the past between the Department of Energy and the Department of Defense on advanced conventional munitions R&D?

Mr. FOLEY. In my opinion, the national laboratories should continue to serve as a major resource of scientific and technical capability for the nation's nuclear weapons program. While I believe that the primary purpose of the laboratories is to advance nuclear weapons technology, I am aware that there are other defense and energy concerns, including advanced conventional munitions, that can and are being addressed with new technologies that have been built upon programs and skills already well established at the laboratories. As long as our national laboratories are challenged by important national issues that provide scientific and technical challenges, we will be able to continue to attract the best scientists and engineers who are really the key to any successful research program. I will do all that I can to assure that the laboratories remain technically viable and fully responsive to DOE needs as well as to other national commitments.

VERIFICATION RESEARCH

Senator BINGAMAN. Several of us on this committee have sought to involve the Department of Energy and its weapons laboratories to a greater degree in the development of verification technologies. We see an historical trend that verification technology tends to lag behind weapons technology in its development.

Since verification capabilities are going to play a crucial role in the success of arms control negotiations now and in the future, we would like to see more emphasis placed in this area.

Do you see this as an area where the nuclear weapons laboratories and perhaps other DOE laboratories can make a larger contribution?

Mr. FOLEY. Within the Department of Energy, we are placing emphasis on the development of nuclear test verification technologies not only in onsite and regional seismic verification, but also in remote sensing verification. These efforts should be directed toward the goal of having verification technologies in place prior to treaty negotiations, rather than in development after the consummation of a treaty. Such a goal may require increased research and development of new technologies.

STRATEGIC DEFENSE INITIATIVE RESEARCH

Senator BINGAMAN. In recent years a very significant area of growth for the three DOE weapons laboratories has come from work on the Strategic Defense Initiative. This has come primarily from DOD reimbursables. But there has also been some growth within the research, development, and testing budget of the Department of Energy.

Are you comfortable with the degree of involvement of the laboratories in the Strategic Defense Initiative?

How large a fraction of the laboratories' efforts do you feel should be devoted to ballistic missile defense research?

Mr. FOLEY. I strongly support the President's Strategic Defense Initiative and agree with the DOE weapons laboratories making contributions to the SDI research effort, both with DOE funding and with reimbursable funding from the Department of Defense.

In spite of the SDI program's importance, however, our highest priority for the foreseeable future will remain research, development, and testing in support of the nation's current strategic nuclear deterrent forces. For that reason, I plan to carefully review and continually monitor the portion of the laboratories' effort devoted to strategic defense research such that we can assure an appropriate mix.

EFFECT OF BUDGET REDUCTIONS

Senator BINGAMAN. Admiral Foley, yesterday the Congress committed itself to a series of specified targets for the overall Federal deficit in the coming years. Meeting those targets is going to require some very significant reductions in both defense and domestic discretionary spending.

If those reductions are not achieved through the normal appropriations process, then an automatic sequestering will be implemented. Thus, unless we have a tax increase, it would appear that you are taking over at a time when the Department of Energy's nuclear weapons program budget which you oversee has peaked.

You are going to face a very much more difficult management job than have your predecessors over the past five years who enjoyed rapidly growing budgets.

Do you share Secretary Weinberger's and Secretary Shultz's concern about the effects of the Gramm-Rudman amendment on defense programs? How do you plan to go about setting priorities within the very constrained resources you may be allocated in coming years?

Mr. FOLEY. Yes; I do share Secretary Weinberger's and Secretary Schultz's concern about the impact of the Gramm-Rudman amendment on Defense Programs because of the potential limiting effect that this amendment will have on our ability to carry out our priority program activities. These priority programs are for the most part driven by nuclear weapons and material production guidance contained in the annual Nuclear Weapons Stockpile Memorandum (NWSM). We work closely with the Department of Defense to develop the production schedule for new weapons and the retirement of older systems. Each year when the President signs the NWSM, he gives us production and retirement approval for the budget year plus four years. My first priority in any budget year then, will be geared toward meeting these predetermined workload schedules. Second, to assure that the technical knowledge is available to produce nuclear warheads on schedule and within cost, we will strive to continue to develop a strong research and development technical base effort. Coupled with this, I believe we will have to continue to revitalize our R&D facilities, not only to continue technical superiority, but also to attract the best minds available to work in our laboratories. Thirdly, it is vitally important that we continue to maintain and restore our production plants so that our weapons and materials production facilities continue to operate effectively and efficiently and at a capacity necessary to maintain required operational schedules. Finally, I want to continue to make progress on my predecessors' commitment to assure that facilities and materials are secure and safe from potential adversary actions and that environmental and safety concerns are quickly detected and corrected in a responsible and cost efficient manner.

OTHER RECOMMENDATIONS OF CLARK BLUE RIBBON TASK GROUP

Senator BINGAMAN. Earlier I asked several questions about specific recommendations of the Clark Blue Ribbon Task Group. More generally, what are your implementation plans for the Blue Ribbon Task Group's recommendations? Will you be in a position to report to us when you come before the committee to testify in favor of the Fiscal Year 1987 budget on those implementation plans in some detail?

Mr. FOLEY. I am familiar with the BRTG recommendations and support the Department moving vigorously to implement those recommendations for which we have unilateral responsibility. High-level management attention and support for this process extends all the way to the Secretary who is formally committed to implementation of appropriate recommendations. For those recommendations applying to both Energy and the Department of Defense, joint activities are underway to support implementation during the 1987-88 budget cycles. I will be pleased to provide you with a status report in my testimony.

Senator WARNER. Thank you, Admiral.

We will now proceed with our hearing on Department of Defense organization.

[Whereupon, at 2:45 p.m., the committee recessed, to resume immediately with other business.]

[The nominations of Chapman B. Cox and Sylvester R. Foley, Jr., were reported to the Senate by Senator Strom Thurmond on December 12, 1985, with the recommendation that the nominations be confirmed. The nominations were confirmed by the Senate on December 16, 1985.]

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